

The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.

What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

Note on Language

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]",etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

Instructions for Printing

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA Audit Profile													
Country	China												
Factory Name	08021532D												
IEM	Global Standards												
Date(s) in Facility	September 12 & 13 , 2005												
PC(s)	Liz Claiborne, Inc. and Nordstrom, Inc.												
Number of Workers	880												
Product(s)	Garment												
Production Processes	Cutting, Sewing, Ironing, Spot Cleaner, Finishing												
IEM Findings													
Remediation													
FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Non-Compliance	Risk of Non-Compliance	Evidence of Non-Compliance (un corroborated)	If not corroborated, explain why	Sources/Documentatio n used for corroborating	Notable Features implemented by Factory Management or Company	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation
1. Code Awareness													
2. Forced Labor													
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise													
3. Child Labor													
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.													
4. Harassment or Abuse													
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment of abuse.													
Training of Management in Disciplinary Practices		Employers will provide training to managers and supervisors in appropriate disciplinary practices	No specific training on this issue for the management.				management interview		Employers will provide training to managers and supervisors in appropriate disciplinary practices	12/31/2005		3/27/06 Factory provided all training to management and supervisors.	Documentation
Monetary Fines and Penalties		Employers will not use monetary fines and penalties for poor performance			If workers are late for 1 minute, they will be fined for 15 minutes; if 2 minutes, will be fined for 30 minutes. But, management responded that they will not fine workers, but it will be counted against their end-year bonus.	Information was contradictory and payroll did not show deductions.	worker interview, record review, management interview					10/8/2005: Factory removed all fines and deductions in pay. Factory created a bonus system to reward workers in a positive way and trained workers on this new policy. To be further verified in follow-up visits in 2007 to ensure success of new bonus system.	Documentation
Monetary Fines and Penalties	No. 489, under the Temporary Provision of Salary Payment, Article 15, the employer should not deduct from the worker's salary for the following circumstances: 1) personal income tax 2) social insurance not afforded by the individual 3) the fee/fee requested in a judgment/trial 4) other expenses as ruled by law.	Employers will not use monetary fines and penalties for poor performance	The factory directly deducts monetary fines for making unqualified products from workers' wages-evidence in payroll documents.				record review, workers interview, management interview		Factory will provide an extra bonus - This extra bonus will be added to the worker's monthly salary in order to substitute the deduction. This extra bonus will be totally reflected to the workers' attendance, quality and productivity performance.	2/1/2006	Factory will provide extra bonus - This extra bonus will be added to the worker's monthly salary in order to substitute the deduction. This extra bonus will be totally reflected to the workers' attendance, quality and productivity performance. To fix this bonus we will consider different production sections and variation of job/technique nature. A certain time is needed for calculation of all the figures. Despite of the bonus calculation, the most important part where we are concerning is how to let the workers understand we want them to improve the quality performance by giving them this bonus. Trial Period to start this new system will occur by February 1, 2006	10/8/2005: Factory removed all fines and deductions in pay. Factory created a bonus system to reward workers in a positive way and trained workers on this new policy. To be further verified in follow-up visits in 2007 to ensure success of new bonus system. Nordstrom has engaged with a consultant who will be following up on the success of the new bonus system.	Documentation
Other				In cases where the discipline process results in termination, there is no policy which provides workers with an opportunity to reply, challenge or make appeals against the termination			record review		Workers will be able to reply to, challenge or appeal accusations during the gradual disciplinary process. Factory will ensure an appeal process is built into the gradual disciplinary process and workers and management are informed of process and workers right to appeal.	12/31/2005			
5. Nondiscrimination													
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.													

6. Health and Safety													
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities													
Safety Equipment		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	Found some fire extinguishers are blocked.				Visual inspection		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees. Please develop an internal factory monitoring system to regularly check that fire fighting, medical equipment and aisle ways are unobstructed at all times. This can be achieved through a health & safety committee or designated staff responsible for safety, etc..	12/31/2005	Will send documents/photos	6/13/2006: PC visited factory and confirmed complete.	Visual inspection
Chemical Management		All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	Found some chemical tanks without Chinese label.				Visual inspection		All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. An MSDS sheet must be posted next to the chemicals in the local language providing the chemical name, how to safely use the chemical, chemical hazards, and how to treat injuries from the chemical. Additionally, workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	12/31/2005	Will send documents/photos	6/13/2006: PC visited factory and confirmed complete.	Visual inspection
Machinery Maintenance		All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	A portion of the sewing machines don't have needle guard and protective cover.				Visual inspection		All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner. Require that workers do not remove needle guards and protective covers from equipment.	12/31/2005	Will send documents/photos	6/13/2006: PC visited factory and confirmed complete.	Visual inspection
Other				Factory has rules and regulations, but does not post them.			Visual inspection		Post the factory rules and labor law in the local language in a location easily accessible to all workers to read. Please indicate who the workers should contact with questions or concerns	12/31/2005	Will send documents/photos	6/13/2006: PC visited factory and confirmed complete.	Visual inspection
Other				Factory does not post the China labor law.			Visual inspection		Post the factory rules and labor law in the local language in a location easily accessible to all workers to read.	12/31/2005	Will send documents/photos	6/13/2006: PC visited factory and confirmed complete.	Visual inspection
7. Freedom of Association and Collective Bargaining													
Employers will recognize and respect the right of employees to freedom of association and collective bargaining													
		FLA Comment: The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union -- the All China Federation of Trade Unions (ACFTU). According to the ILO, many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations that could improve the functioning of the labor relations mechanisms.											
		The Amended Trade Union Act of October 2001 does stipulate that union committees have to be democratically elected at members' assemblies and trade unions must be accountable to their members. The trade union has the responsibility to consult with management on key issues of importance to their members and to sign collective agreements. It also grants the trade union an enhanced role in dispute resolution. In December 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in contrast to the previous system of non-negotiated administrative agreements.											
8. Wages and Benefits													
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits													

9. Hours of Work													
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period													
Overtime Limitations	According to Article 41 PRC Labor Code, The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and laborers, but the extended working hours per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of laborers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six hours. According to Regulations about Employee Work Time by the State Government - May 1, 1997, Article43 Employees shall work 40 hours per week, overtime is not to exceed 36 hours per month.	Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts	Workers worked from 60 to 69 hours per week for 1 to 4 weeks in December 04, May 05 and August 05.				worker interview, record review		Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts	May-06	Factory sought guidance from Consultant Company with specialty in Productivity and Efficiency resulting in reduced OT hours. Factory will develop plan around May 2006	12/11/06: Factory signed agreement with consultant that specializes in Productivity and Efficiency. The consultant will also develop sustainable systems in the factory addressing compliance issues. Consultant will provide Nordstrom with monthly updates.	
10. Overtime Compensation													
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly compensation rate.				N/A									
Miscellaneous													
Other				There is no appropriate policy for termination/retraining.			record review		Workers will be able to reply to, challenge or appeal accusations during the gradual disciplinary process. Factory will ensure an appeal process is built into the gradual disciplinary process and workers and management are informed of process and workers right to appeal.	12/31/2005		6/13/2006: Factory developed a termination policy and posted for workers review.	Visual Inspection